

2180 Department of Corporations

The Department of Corporations, under the direction of the California Corporations Commissioner, provides consumer and investor protections by regulating the conduct of a variety of businesses, including securities brokers and dealers, investment advisers and financial planners, and certain fiduciaries and lenders. The Department also oversees the offer and sale of securities, franchises and off-exchange commodities.

Given this responsibility, the Department has a three-part mission:

- Ensure an efficient and accessible financial services marketplace in California.
- Educate the public about the risks and rewards in investing and finances.
- Enforce California's financial services laws to protect the public from fraud.

3-YR EXPENDITURES AND PERSONNEL YEARS

	Personnel Years			Expenditures		
	2009-10	2010-11	2011-12	2009-10*	2010-11*	2011-12*
10 Investment Program	136.9	160.0	160.0	\$15,726	\$21,194	\$24,337
20 Lender-Fiduciary Program	151.6	153.8	153.8	15,650	20,229	23,060
50.01 Administration	52.1	64.4	64.4	5,083	6,479	6,718
50.02 Distributed Administration	-52.1	-64.4	-64.4	-5,083	-6,479	-6,718
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	288.5	313.8	313.8	\$31,376	\$41,423	\$47,397
FUNDING				2009-10*	2010-11*	2011-12*
0067 State Corporations Fund				\$31,365	\$41,273	\$47,247
0942 Special Deposit Fund				11	-	-
0995 Reimbursements				-	150	150
TOTALS, EXPENDITURES, ALL FUNDS				\$31,376	\$41,423	\$47,397

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Corporations Code, Section 25600.

PROGRAM AUTHORITY

10-Investment Program:

Corporations Code Sections 25000-25707, 28000-28958, 29000-29201, 29500-29567, 31000-31516; Title 10, California Code of Regulations, Sections 250.1-250.70, 260.000-260.617, 280.100-280.700, 290.570-290.571, and 310.000-310.505.

20-Lender-Fiduciary Program:

Financial Code Sections 4050-4060, 4970-4979.8, 12000-12403, 17000-17702, 22000-22780, 23000-23106, 30000-30704, and 50000-50706; Title 10, California Code of Regulations, Sections 1400-1570, 1700-1769, 1770-1799, 1805.001-1805.213.1, 1950.122-1950.317, and 2020-2030.

DETAILED BUDGET ADJUSTMENTS

	2010-11*			2011-12*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Control Section 3.60 Adjustment	\$-	\$616	-	\$-	\$616	-
• Various Baseline Adjustments	-	-	-	-	476	-
• Health Care Adjustment (Item 9800)	-	123	-	-	210	-
• Control Section 3.91 Contracts and Administrative Reduction	-	-2,034	-	-	-503	-
• Control Section 3.90 Workforce Cap Reduction	-	-1,256	-12.0	-	-1,256	-12.0
Totals, Other Workload Budget Adjustments	\$-	-\$2,551	-12.0	\$-	-\$457	-12.0
Totals, Workload Budget Adjustments	\$-	-\$2,551	-12.0	\$-	-\$457	-12.0
Policy Adjustments						

* Dollars in thousands, except in Salary Range.

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	2010-11*			2011-12*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
• Information Technology Quality Network Replacement - FSR Year 3 of 3	\$-	\$-	-	\$-	\$3,879	-
Totals, Policy Adjustments	\$-	\$-	-	\$-	\$3,879	-
Totals, Budget Adjustments	\$-	-\$2,551	-12.0	\$-	\$3,422	-12.0

PROGRAM DESCRIPTIONS

10 - INVESTMENT PROGRAM

The Investment Program protects investors in securities and franchise investment transactions and promotes efficient capital formation in California. The program qualifies the offer and sale of certain securities, registers the sale of franchises, and licenses and examines broker-dealers and investment advisers.

20 - LENDER-FIDUCIARY PROGRAM

The Lender-Fiduciary Program protects the public when borrowing and entering into financial transactions with lenders and fiduciaries licensed by the Department. The program licenses and examines mortgage bankers, finance lenders, escrow companies, deferred deposit originators, bill payers and proraters.

50 - ADMINISTRATION

This program provides executive leadership and direction to the Department, including planning, policy development, budgeting, accounting, personnel, centralized support services, business and information technology services.

DETAILED EXPENDITURES BY PROGRAM

		2009-10*	2010-11*	2011-12*
PROGRAM REQUIREMENTS				
10	INVESTMENT PROGRAM			
	State Operations:			
0067	State Corporations Fund	\$15,726	\$21,044	\$24,187
0995	Reimbursements	-	150	150
	Totals, State Operations	\$15,726	\$21,194	\$24,337
ELEMENT REQUIREMENTS				
10.10	Corporate Securities Law	\$8,921	\$13,671	\$15,571
	State Operations:			
0067	State Corporations Fund	8,921	13,521	15,421
0995	Reimbursements	-	150	150
10.15	Broker/Dealers	\$1,001	\$3,102	\$3,672
	State Operations:			
0067	State Corporations Fund	1,001	3,102	3,672
10.25	Investment Advisers	\$3,673	\$2,684	\$3,085
	State Operations:			
0067	State Corporations Fund	3,673	2,684	3,085
10.35	Agent Monitoring Law	\$213	\$251	\$294
	State Operations:			
0067	State Corporations Fund	213	251	294
10.65	Franchise Investment Law	\$1,918	\$1,486	\$1,715
	State Operations:			
0067	State Corporations Fund	1,918	1,486	1,715
PROGRAM REQUIREMENTS				
20	LENDER-FIDUCIARY PROGRAM			
	State Operations:			

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	2009-10*	2010-11*	2011-12*
0067 State Corporations Fund	\$15,650	\$20,229	\$23,060
Totals, State Operations	\$15,650	\$20,229	\$23,060
ELEMENT REQUIREMENTS			
20.10 Check Sellers, Bill Payers and Proraters	\$127	\$20	\$21
State Operations:			
0067 State Corporations Fund	127	20	21
20.20 Deferred Deposit Transaction Law	\$2,800	\$4,106	\$4,673
State Operations:			
0067 State Corporations Fund	2,800	4,106	4,673
20.30 Escrow Law	\$4,595	\$5,566	\$6,312
State Operations:			
0067 State Corporations Fund	4,595	5,566	6,312
20.85 California Mortgage Loan Originator	\$231	\$1,223	\$1,284
State Operations:			
0067 State Corporations Fund	231	1,223	1,284
20.90 California Finance Lenders Law	\$5,008	\$6,057	\$7,041
State Operations:			
0067 State Corporations Fund	5,008	6,057	7,041
20.95 Mortgage Bankers Law	\$2,889	\$3,257	\$3,729
State Operations:			
0067 State Corporations Fund	2,889	3,257	3,729
TOTALS, EXPENDITURES			
State Operations	31,376	41,423	47,397
Totals, Expenditures	\$31,376	\$41,423	\$47,397

EXPENDITURES BY CATEGORY

	1 State Operations			Expenditures		
	Positions/Personnel	Years		2009-10*	2010-11*	2011-12*
	2009-10	2010-11	2011-12			
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	288.5	332.0	332.0	\$16,375	\$21,924	\$22,370
Total Adjustments	-	-12.0	-12.0	-	-2,215	-873
Estimated Salary Savings	-	-6.2	-6.2	-	-547	-547
Net Totals, Salaries and Wages	288.5	313.8	313.8	\$16,375	\$19,162	\$20,950
Staff Benefits	-	-	-	6,234	7,391	7,668
Totals, Personal Services	288.5	313.8	313.8	\$22,609	\$26,553	\$28,618
OPERATING EXPENSES AND EQUIPMENT				\$8,767	\$14,870	\$18,779
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$31,376	\$41,423	\$47,397

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2009-10*	2010-11*	2011-12*
0067 State Corporations Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$39,511	\$43,824	\$47,247
Allocation for employee compensation	-	123	-
Adjustment per Section 3.60	61	616	-
Reduction per Section 3.90	-3,389	-1,256	-

* Dollars in thousands, except in Salary Range.

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1 STATE OPERATIONS	2009-10*	2010-11*	2011-12*
Reduction per Section 15.30	-9	-	-
Reduction per Control Section 3.91	-	-2,034	-
Adjustment per Section 3.55	-55	-	-
Transfer from Item 2180-001-0067 per Provision 1	360	-	-
011 Budget Act appropriation (Transfer to the General Fund)	-	(20,000)	-
Totals Available	\$36,479	\$41,273	\$47,247
Unexpended balance, estimated savings	-5,114	-	-
TOTALS, EXPENDITURES	\$31,365	\$41,273	\$47,247
0942 Special Deposit Fund			
APPROPRIATIONS			
Government Code Section 16370 (Conservatorship Account)	\$11	-	-
TOTALS, EXPENDITURES	\$11	\$-	\$-
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	-	\$150	\$150
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$31,376	\$41,423	\$47,397

FUND CONDITION STATEMENTS

	2009-10*	2010-11*	2011-12*
0067 State Corporations Fund ^s			
BEGINNING BALANCE	\$49,388	\$71,519	\$43,014
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125700 Other Regulatory Licenses and Permits	27,648	29,761	29,000
125800 Renewal Fees	1,032	928	1,000
141200 Sales of Documents	1	2	2
142500 Miscellaneous Services to the Public	11	13	10
150300 Income From Surplus Money Investments	343	390	500
161000 Escheat of Unclaimed Checks & Warrants	12	12	10
161900 Other Revenue - Cost Recoveries	10	51	10
163000 Settlements/Judgments(not Anti-trust)	24,162	1,500	1,500
164300 Penalty Assessments	306	205	200
Transfers and Other Adjustments:			
TO0001 To General Fund per Item 2180-011-0067, Budget Act of 2010	-	-20,000	-
Total Revenues, Transfers, and Other Adjustments	<u>\$53,525</u>	<u>\$12,862</u>	<u>\$32,232</u>
Total Resources	\$102,913	\$84,381	\$75,246
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	29	70	43
2180 Department of Corporations (State Operations)	31,365	41,273	47,247
8880 Financial Information System for California (State Operations)	-	24	-
Total Expenditures and Expenditure Adjustments	<u>\$31,394</u>	<u>\$41,367</u>	<u>\$47,290</u>
FUND BALANCE	\$71,519	\$43,014	\$27,956
Reserve for economic uncertainties	71,519	43,014	27,956

CHANGES IN AUTHORIZED POSITIONS

	Positions/Personnel Years			Expenditures		
	2009-10	2010-11	2011-12	2009-10*	2010-11*	2011-12*
Totals, Authorized Positions	288.5	332.0	332.0	\$16,375	\$21,924	\$22,370
Furlough Adjustments	-	-	-	-	-711	-

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	Positions/Personnel Years			Expenditures		
	2009-10	2010-11	2011-12	2009-10*	2010-11*	2011-12*
PLP Adjustments	-	-	-	-	-631	-
Workload and Administrative Adjustments						
Workforce Reduction:						
Staff Counsel IV	-	-1.0	-1.0	-	-126	-126
Staff Counsel III (was SC IV)	-	-1.0	-1.0	-	-114	-114
Supervising Corporation Examiner	-	-1.0	-1.0	-	-94	-94
Systems Software Spec II (Sup), LT	-	-1.0	-1.0	-	-89	-89
Corp Examiner IV - Specialist	-	-1.0	-1.0	-	-85	-85
Accounting Administrator I (Supervisor)	-	-1.0	-1.0	-	-73	-73
Associate Personnel Analyst	-	-1.0	-1.0	-	-64	-64
Staff Services Analyst	-	-2.0	-2.0	-	-107	-107
Auditor I	-	-1.0	-1.0	-	-48	-48
Program Tech II	-	-1.0	-1.0	-	-39	-39
Office Assistant - Typing	-	-1.0	-1.0	-	-34	-34
Totals Workload and Administrative Adjustments	-	-12.0	-12.0	\$-	-\$2,215	-\$873
Total Adjustments	-	-12.0	-12.0	\$-	-\$2,215	-\$873
TOTALS, SALARIES AND WAGES	288.5	320.0	320.0	\$16,375	\$19,709	\$21,497

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